

Dear Commissioner Woodcock,

Zero-Point Development, Inc. ("Zero-Point") offers the following comments regarding the Department of Energy Resources ("DOER") request for comments on the Clean Peak Energy Certificate ("CPEC") Procurement Straw Proposal. Zero-Point encourages the DOER to implement the following proposals regarding the Circuit Multiplier, Electric Distribution Company ("EDC") ownership, and project characteristics when drafting and finalizing the CPEC Procurement structure and process.

I. Circuit Multiplier

The Clean Peak Standard Regulations, 225 CMR § 21.05(6)(g), allow for DOER to "establish a Distribution Circuit Multiplier that modifies the number of Clean Peak Energy Certificates generated by a Clean Peak Resource based on the locational value of the unique load profile and particular needs of each distribution circuit." Zero-Point is encouraged that DOER is considering implementing this multiplier in the CPEC Procurement process and believes that bids offering this unique benefit to the distribution system should receive additional qualitative points within any evaluation criteria. Zero-Point requests that DOER take the following criteria under advisement for bid submissions:

The Procurement Party shall afford additional weight to any CPEC bids intending to capture the Circuit Multiplier principles under the Clean Peak Standard by being capable of meeting or exhibiting the following characteristics:

1. AC coupled and qualifies as "dispatchable generators" in the ISO-New England forward capacity market or;
2. Sited on an existing 3-phase distribution circuits with existing and/or proposed DG capacity exceeding 8MW or 50% of the circuit's capacity, whichever is the lesser; or
3. Sited in areas where the peak load exceeds 60% of the circuit's normal rating and can demonstrate that they have effectively reduced the 24hr peak load of the circuit where priority is given in order of EDC interconnection queue.

If a bid meets the above criteria and is awarded a CPEC reservation with an EDC, the Clean Peak Generating resource shall be awarded with a Circuit Multiplier if it shifts existing solar production to high peak hours and mitigates any oversaturation of distributed generation on the infrastructure.

II. Electric Distribution Company Ownership

Zero-point strongly urges that the DOER preclude any EDC owned CPEC assets from being included into any calculation of the CPEC Procurement target or percentage. Although the utilities do own assets that would be eligible to generate CPECs that would count towards their compliance amounts, the CPEC Procurement should be an independent market exclusive of EDC assets. Since storage is not generation, utilities are not limited from ownership by Restructuring principles. If an EDC wished to increase its ownership of storage assets at ratepayer's expense, it could offset its CPEC obligation internally, reducing the CPEC market demand available to independent developers. If

DOER's objective for this procurement is to provide a reliable revenue stream and signal to developers and their financiers that these forms of renewable energy are valued and cost-effective, then they should not permit EDCs to skew and upend the market. DOER should place a ceiling on the amount of CPECs an EDC can apply to its own obligations.

The advantages of storage to EDCs is not limited to the Clean Peak Standard. Given the current state of the distribution system and number of extended studies impacting distributed generation, EDCs should be directing storage assets to improve grid stability and resiliency to accommodate these resources and benefit its ratepayers. EDCs should not be attempting to circumvent the legislative intent to create a market and incentive program for independent renewable developers by lessening the market demand for CPECs.

III. Project Characteristics

a. Project Milestones

Zero-Point requests that DOER consider flexibility in timelines for selected, new projects. Over the past 2 years, new distributed generation projects have been subjected to interconnection studies well into the development process. If DOER is considering extending a procurement option to projects not yet constructed or interconnected, then DOER should provide buffers and extensions to projects affected by delays outside the developer's control.

Additionally, DOER should only require a project to submit non-ministerial permits and documents in its application to show viability. Previous joint RFPs issued by DOER and the EDCs were for large generation projects with substantial cost impacts on ratepayers. Larger generation projects can be exposed to significant development risks due to size. The types of projects being procured here are much smaller scale and, in some instances, may already be operational, limiting the project's risk exposure, and any permitting issues that a smaller project may experience can most likely be resolved in a timely manner. Therefore, DOER should limit the bid application materials to those non-ministerial permits to show viability.

b. Performance Penalties

The DOER's procurement straw proposal included the possibility that project owners can be liable for non-performance of their CPEC obligations. Zero-Point agrees that, if selected, a project should strive to meet its CPEC allotment obligations, as doing otherwise discourages the intent of the procurement. However, there may be instances where a project is unable to meet its obligation because of an occurrence outside its control such as a power outage caused by a storm event or curtailments due to poor utility planning. Because of the potential in foreseeability, these events may not be covered by a standard force majeure clause. In these instances, where the non-performance is outside the control of the project owner, the DOER should consider a third-party petition program, similar to SMART good cause reviews, to excuse projects affected by these types of instances from penalties.

IV. Conclusion

Zero Point thanks the DOER for the opportunity to comment on the CPEC Procurement proposal, and respectfully requests that the DOER:

- Afford additional qualitative weight to bids that exhibit characteristics of a “Circuit Multiplier”;
- Grant a Circuit Multiplier to selected bids that performs in accordance with Circuit Multiplier principles;
- Preclude EDCs from including Clean Peak eligible resources into any calculation of the CPEC Procurement target or procurement percentage;
- Only require a project to submit non-ministerial permits and documents in its application to show viability; and,
- Projects should not be held to non-performance penalties if the non-performance was caused by an event outside the project owner’s control.

Zero Point looks forward to continuing communication and collaboration with the DOER as the Clean Peak Program grows and is available to discuss these comments or other industry matters at the DOER’s convenience.

Regards,



Greg Hunt.

Zero-Point Development

